GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2975
ANSWERED ON:10.08.2001
IDBI S STAKE IN BITCO
NIKHIL KUMAR CHOUDHARY

Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Development Bank of India has 49 per cent stake in theBihar Industrial and Technical Organisation (BITCO);

(b) whether the condition of the above organization has deteriorated;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) Yes, Sir.

(b) and (c) BITCO has been incurring losses continuously from 1996 onwards and did notfinalise its accounts from 1998-99 onwards. Continued poor performance of BITCO is attributed to following reasons;

(i) Poor flow of assignments due to slow pace of industrial activity in Bihar coupled with infrastructure bottlenecks;

(ii) BITCO is unable to get sufficient assignments from the State Government; and

(iii) TCOs in genera! are overstaffed.

(d) IDBI had commissioned a consultant to carry out an independent study of TCOs andsuggest measures for arresting decline in most of the TCOs including BITCO. The reportof the consultant has since been received by IDBI and suggested measures were discussed with TCOs. All the 17 TCOs were asked to submit a brief on revival of non-performing TCOsMost of the TCOs have already submitted their briefs on restructuring/revival to IDBI anda view would to be taken by IDBI on receipt of briefs from remaining TCOs.